COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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NOTICE OF GAS COST)	
ADJUSTMENT FILING OF)	CASE NO. 2004-00399
MILLENNIUM ENERGY, INC.)	

ORDER

On December 2, 1999, in Case No. 1999-00312, the Commission approved rates for Millennium Energy, Inc. ("Millennium") and provided for their further adjustment in accordance with Millennium's gas cost adjustment ("GCA") clause.¹

On October 1, 2004, Millennium filed its proposed GCA to be effective November 1, 2004.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

- 1. Millennium's notice includes revised rates designed to pass on to its customers its expected change in gas costs.
- 2. Millennium's expected gas cost ("EGC") is \$6.4337 per Mcf, which is a decrease of 24.8 cents per Mcf from its previous EGC of \$6.6817.
 - 3. Millennium's notice sets out no refund adjustment.

¹ Case No. 1999-00312, Petition of Millennium Energy, Inc. for Approval of an Initial Rate Schedule for Serving Customers from an Existing Gas Supply Line, Order dated December 2, 1999.

4. Millennium's notice sets a current quarter actual adjustment ("AA") of

(10.55) cents per Mcf. Millennium's total AA is (7.37) cents per Mcf, which is 13.52

cents per Mcf less than the previous total AA.

5. Millennium's notice sets out a current quarter balance adjustment ("BA") of

(4.84) cents per Mcf. Millennium's total BA is (6.1) cents per Mcf, which is 16.81 cents

per Mcf more than the previous total BA.

6. Millennium's GCA is \$6.2990 per Mcf, which is 21.51 cents per Mcf less

than the previous rate of \$6.5141.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and

should be approved for service rendered by Millennium on and after November 1, 2004.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for service rendered

on and after November 1, 2004.

2. Within 20 days of the date of this Order, Millennium shall file with this

Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 27th day of October, 2004.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00399 DATED October 27, 2004.

The following rates and charges are prescribed for the customers served by Millennium Energy, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Residential

<u>Nesidential</u>	Base Rate	Gas Cost Recovery <u>Rate</u>	<u>Total</u>			
Customer Charge	\$6.00	\$6.2990	\$6.00			
All Mcf	\$4.00		\$10.2990			
Commercial and Industrial						
Customer Charge	\$20.00	\$6.2990	\$20.00			
All Mcf	\$ 3.00		\$9.2990			